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C O N F I D E N T I A L SECTION 01 OF 03 NEW DELHI 001534

SIPDIS

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E.O. 12958: DECL: 03/30/2017
TAGS: [PREL](#) [PGOV](#) [PHUM](#) [NP](#) [IN](#)
SUBJECT: DEMARCHE: INDIA PREFERS ELECTIONS TO MOVE FORWARD
IN NEPAL

REF: A. SECSTATE 39369

[1](#)B. KATHMANDU 647

Classified By: Ambassador David C. Mulford for Reasons 1.4 (B,D)

[1](#)1. (C) SUMMARY: Foreign Secretary Menon told Ambassador Mulford that India would "stick by its agreements" with the U.S. on Nepal. In a separate meeting, the Ambassador expressed concern to National Security Advisor (NSA) M.K. Narayanan about a new GOI flexibility with regard to the Maoists' full compliance with their agreements before entering government. Ministry of External Affairs Joint Secretary Pankaj Saran told PolCouns that it was up to Nepal

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to decide when Constituent Assembly elections should be held, but that the Government of India (GOI) preferred that they be held sooner rather than later. He denied that the GOI was pressuring the Government of Nepal (GON) to allow the Maoists into the government before they had adhered to their commitments. He claimed that free and fair elections would be a challenging task in Nepal in any case, suggesting that "there are limits to a perfect solution." He suggested it would be impossible to achieve "100 percent compliance" by the Maoists with their agreements to return seized land, cease extortion and turn in all their weapons. He acknowledged that the violence in Nepal's Terai region was an issue of concern for the GOI, as was the possibility of

Maoists breaking into splinter groups, which might threaten India's national security. Post perceives a divergence between U.S. and GOI thinking on Nepal, attributed in part to India's fears of Maoists breaking into splinter groups if their entry into government occurs later than planned. END SUMMARY.

FS Menon: "India Will Stick By Its Agreements"

12. (C) Speaking with Ambassador Mulford on March 27, Foreign Secretary Menon told him that the GOI would "stick by its

SIPDIS agreements" with the U.S. on Nepal. On March 30, the Ambassador expressed concern to NSA M.K. Narayanan that the GOI had backed off its insistence that the Maoists fully comply with their agreements before entering government. Narayanan replied that, to his knowledge, the U.S. and India remained in sync, but promised to check on it and confirm.

Nepalese "Ownership of the Process" Key According to Saran

13. (C) On March 29, PolCouns delivered reftel a demarche and told Ministry of External Affairs (MEA) Joint Secretary (North) Pankaj Saran that the U.S. believes the inclusion of Maoists in Nepal's government should not occur until they return land back to owners they have evicted, they cease the practice of extortion, and they turn in all of their weapons and cease to wear uniforms. PolCouns said that the U.S. believed this behavior precluded the inclusion of the Maoists as equals with other political parties that play by the rules, and that their inclusion into the GON at this time would legitimize their abuses, allow them to use the

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machinery of the state to pursue their narrow agenda, and further convince them that they can get what they want without changing their behavior. Saran noted that New Delhi had a good record of regional consultation with the United States about Nepal, adding that the Government of India (GOI) and the U.S. shared similar views on Nepal for the most part, though there were some "different perceptions." He pointed out that Ambassador Moriarty and Indian Ambassador to Nepal Mukherjee have had a "good understanding of one another" over the last two years, which had proved useful.

14. (C) Saran assured PolCouns that the GOI's message to the Maoists had not changed - the GOI expected the Maoists to adhere to their commitments, and there should be no gap between commitment and implementation. "They must show their commitment on the ground," said Saran, admitting that the Maoists' progress had been a mixed picture, and that the GOI was aware of gaps, variations, and degrees of compliance on the part of the Maoists. The GOI's goal is to ensure the peace process worked, indicated Saran. Stability in Nepal was an issue of importance to India and especially to national security, and there was not much leeway to make mistakes, as the stakes were high, he asserted. He underlined that the success Nepal had seen so far was primarily due to the Nepalese "ownership of the process," something which was critical to Nepal's success.

"Marginally Flawed" Elections Preferable to an Uncertain Delay

15. (C) "At the end of the day, we have to accept what the parties themselves wish to do," averred Saran, indicating that the GOI would support June elections if the Nepalese decided to hold them then. "If their (Nepal's) view is that there is a need to move on, that is up to them to decide," Saran stated, adding that the GOI's position was that an early election was better than a late election. Saran remarked that the "more time the Maoists get, the worse it will be for the parties," adding "even a marginally flawed

election is preferred over an uncertain delay with no closure in sight." He said he thought it was unrealistic to think that Nepal's first exercise of elections would be flawless. "Free and fair elections will be a highly challenging task," claimed Saran, suggesting, "there are limits to a perfect solution."

A Hands-Off Policy

16. (C) Asked by PolCouns if the GOI was pushing the Government of Nepal (GON) to hold elections in June, Saran responded, "No one in the Indian government has given a cut-off date. We have outlined certain principles, but it is up to them," noting that the GON alone would have to bear the consequences of, and take the responsibility for, its decisions. "It would not be appropriate for you, nor for us, to second guess or sit in judgment" on Nepal, opined Saran, arguing, "We've done our job." The time had come to leave it to Nepal to decide, he continued, affirming that the GOI

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would not push the GON to hold elections, despite the GOI's preference to see elections held earlier rather than later. "We will abide by and respect their judgment. We will not force their hand," maintained Saran.

India's Concern - Maoist Splinter Groups

17. (C) Asked about linkage to India's concerns regarding instability in the Terai, Saran averred that "it was and will remain an issue of direct concern" to the GOI, referring to the Indo-Nepal border as a "hot line to India." An inclusive peace process was a desirable outcome, he remarked, underlining that the possibility of Maoist splinter groups breaking off was an issue of primary concern for the GOI. In any case, Narayanan pointed out that India has more at stake in Nepal than the U.S. does.

A Divergence In U.S. and Indian Thinking On Nepal

18. (C) Comment: Post assesses that the GOI wants elections to happen quickly to increase the likelihood of keeping the Maoists from splintering and, therefore, ensuring their successful entry into the government. The GOI shifted its policy toward Nepal, showing a willingness to accommodate a certain degree of Maoist backsliding. As perceived by Kathmandu (reftel b), Mukherjee's visits to New Delhi have been part of a process leading to this shift in the GOI's position. India's experience with violence in the Terai region, especially the massacre in Gaur, and the possibility that violence may spill over into India, may have contributed to the shift towards a hands-off policy in Nepal, in which the Indians are more amenable to allowing the Maoists to join the interim government, and, hence, to hold elections in June. India is concerned that the Maoists will break into splinter groups, such as those that have caused violence in the Terai, which could become a threat to India's security. The GOI may also be feeling the heat from the opposition BJP on the Terai, and therefore especially anxious to be able to declare a foreign policy victory after the formation of a government in Kathmandu. End comment.

MULFORD